

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1561 – HB 1564

March 12, 2016

SUMMARY OF ORIGINAL BILL: Establishes a new certification program to be administered by the Department of Safety (DOS) for manufacturers of autonomous vehicles before such vehicles may be tested, operated, or sold in Tennessee. Requires DOS to establish a fee for applications for autonomous vehicles with amounts adequate to pay all administrative costs incurred by the department in administering the program; creates a \$0.01 per mile driven tax structure for autonomous vehicles with two axles, and \$0.026 per mile driven tax structure for autonomous vehicles with more than two axles. Specifies the allocation provisions for the revenue generated by per mile driven tax.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

Not Significant/FY16-17/General Fund

\$100/FY16-17/Highway Fund

Exceeds \$300/FY16-17/Department of Safety

Not Significant/FY17-18/General Fund

\$300/FY17-18/Highway Fund

Exceeds \$500/FY17-18/Department of Safety

Exceeds \$100/FY18-19 and Subsequent Years/General Fund

Exceeds \$400/FY18-19 and Subsequent Years/Highway Fund

Exceeds \$500/FY18-19 and Subsequent Years/Department of Safety

Increase State Expenditures –

Exceeds \$300/FY16-17/Department of Safety

Exceeds \$500/FY17-18 and Subsequent Years/Department of Safety

Increase Local Revenue –

Exceeds \$100/FY17-18

Exceeds \$200/FY18-19 and Subsequent Years

Other Fiscal Impact – To the extent certification for autonomous vehicles becomes more prevalent in future years beyond FY18-19, the extent of revenue realized by state and local governments will increase proportionate to any such growth. In addition, the Department of Safety may require additional resources at some point in the distant future depending upon the extent of any such future growth.

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SUMMARY OF AMENDMENT (013378): Deletes all language of the original bill. Defines "autonomous technology" to mean technology installed on a motor vehicle that has the capability to drive the vehicle on which the technology is installed in high or full automation mode, without any supervision by a human operator, with specific driving mode performance by the automated driving system of all aspects of the dynamic driving task that can be managed by a human driver, including the ability to automatically bring the motor vehicle into a minimal risk condition in the event of a critical vehicle or system failure or other emergency event. Further, this amendment defines terms to include various driving scenarios in which autonomous technology controls a vehicle.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

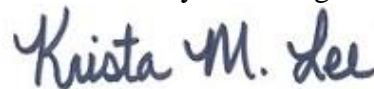
NOT SIGNIFICANT

Assumptions for the bill as amended:

- With Google, Tesla, Microsoft, and Apple being headquartered and actively developing autonomous vehicle (AV) technology in California, it is widely considered a leading state in AV research and development.
- The Department of Revenue reports that 11 autonomous vehicles (AV) are currently registered in the state of California.
- Based on population estimates of California and Tennessee, it is reasonably estimated that three autonomous vehicles will operate (one in each grand division) in FY16-17; six autonomous vehicles will operate in FY17-18; and a number exceeding nine autonomous vehicles will operate in FY18-19 and subsequent years.
- Due to the low projected number of vehicles, the bill as amended will not have a significant impact on state or local revenue or expenditures.
- There will not be a sufficient change in the number of traffic citations issued for state or local government to experience any significant increase in revenue or expenditures.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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